YUKON DEVELOPMENT STRATEGY

A PUBLIC DISCUSSION PAPER

YUKON · 2000

Building the Future

87-02019/

YUKON 2000: BUILDING THE FUTURE

A DISCUSSION PAPER

GOVERNMENT OF YUKON
Economic Development: Mines
and Small Business
SEPTEMBER 1986

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YUKON 2000: BUILDING THE YUKON

A DISCUSSION PAPER

1. INTRODUCTION

The Yukon Government has initiated a planning process that will provide a basis for sound economic development into the 1990's and beyond. Yukon 2000 is to be a comprehensive economic development strategy. While the primary focus is on economic issues, related social concerns will be identified and dealt with as appropriate. The Government Leader has committed the Government to this process and is inviting the active participation of all Yukoners.

This process is designed to bring together Yukon people to create a common understanding of the opportunities for economic development of the Yukon. In particular, the government hopes to identify situations where co-operative private and government action can contribute to the building of a stronger and more stable economy.

With the support of the Canada/Yukon Economic Development Agreement, several communities and

bands have now embarked on development plans aimed at increasing stability, self-reliance, and effectiveness of local decision making.

The critically important issue of resolving Indian land claims is progressing with the determined will of all parties concerned. Resolution of land claims can have a major effect on the degree of Indian participation in the economy.

Within the Yukon Government and relevant federal Departments, a broad number of policy and planning initiatives are underway, including the following areas:

1. Land Claims
2. Transportation
3. Communication
4. Renewable Resources
5. Social Housing
6. Training
7. Local Hire and Procurement
8. Tourism
9. Government Action Plan for Women
10. Northern Land Use Planning
11. Energy
12. Business Financing/Access to Capital
13. Northern Mineral Development

Outside government, economic activities are being pursued based on the drive and skills of Yukoners either as individuals, businesses, or non-profit organizations.

Each of the above activities is an important building block in our social and economic structure.

The Yukon Government is now taking the next step in initiating a Yukon-wide development planning exercise.

The resulting Economic Development Strategy is intended to bring coordination and cohesion to many of these activities and to optimize the use of our human and natural resources. It will provide a basis for economic policies and actions that will facilitate positive and beneficial development to the year 2000 and beyond. The result will be a dynamic framework that continues to grow and evolve as directed by the creative energies of all Yukoners.

The first formal step of the process was a workshop held in Faro, June 20 - 22, 1986. At the workshop, the overall goals and objectives of the Development Strategy were reviewed, key issues arising from that review were discussed, and an opportunity was provided to assist in setting the Strategy workplan.

The purposes of this paper are to provide background information to the public and to solicit their comments on the Economic Development Strategy exercise. In the section following this introduction, an outline is given of the goals that drive the Strategy. A third section describes the Strategy theme. Key characteristics of Yukon people are described in section four and a similar description of the Yukon economy is given in section five. In section six, sectoral opportunities are discussed. Section seven summarizes the results of the Faro Workshop and section eight outlines the Strategy approach and workplan.

2. STRATEGY GOALS

AGREEING ON GOALS

"What kind of place do we want the Yukon to be in the year 2000?" This question is fundamental, and must be addressed, if the Yukon is to develop in the direction, and in the way, that people want.

The economy of course will exert a great deal of influence on both what is attainable and what will have been attained by the year 2000. After all, a secure society requires a stable economic base. Further, economic factors are themselves important considerations in defining hopes for the future. Material well-being, the quality of work, and economic security, for instance, constitute some of the most important things that people strive for regardless of where they live, or what their circumstances are.

The Yukon economy is in a state of change and adaptation. The general goal of all Yukon people is to manage, direct, and to lead that change to ensure that conditions benefit Yukon people. Development planning involves taking control of events so that change goes in a direction that people want, rather than leaving change and growth to be driven totally by external circumstances.

This approach, however, is only possible if the direction is discussed, understood, and widely accepted. It is of little use to agree that change should be managed and controlled if future directions cannot generally be agreed upon as well.

It is never possible to get unanimous acceptance on the direction in which we, as a society, should be headed. Nor should we expect this. A democratic society can and does recognize and accept disagreement, even on the most basic and fundamental questions.

However, most societies have a number of basic goals on which there is broad and general agreement. These constitute the glue that holds the society together. They give it a sense of hope and purpose and they become the basis for cooperation, for sharing effort in a constructive way, and for directing energies toward achievement rather than conflict.

In societies where people share a broad set of goals there often exists a sense of confidence about the future, and about the ability to direct and manage the future. In these cases, people have the capacity to make choices involving trade offs and to formulate acceptable strategies for development. General strategies come to be articulated based on the assumption that the members of the society can take control of their own destiny, if they work together.

THE OPTION TO STAY IN THE YUKON

One major element of a workable strategy for development must be to ensure that the Yukon remains a desirable and worthwhile place for people to stay, to live, to learn, to work (and prepare for work), and to raise families. This means, first and foremost, development that will ensure stable and secure opportunities for people to support themselves

and their families in keeping with their own desires and aspirations. In support, there must be an educational network that allows people to develop the skills required both to create and to take advantage of opportunities. To do this, priority must be focussed on those people who today live in the Yukon, and who have chosen to make it their home.

A recognition that people ought not to be forced to leave the Yukon by economic circumstances has extremely important implications for the future. It points to a number of principles of economic development; perhaps the most important of these is that people will no longer accept having their futures in the Yukon jeopardized solely by external economic and political circumstances.

TAKING CONTROL OF THE FUTURE

Another major item of agreement regarding a strategy for future development, which follows directly from the above, is that Yukon people want to and intend to have greater control over what happens in the Yukon in the future. For too long, the major decisions affecting the Yukon have been made outside the Yukon, by those whose interests are not first and foremost the future of the Yukon.

The achievement of greater control has many dimensions. It must take into account the social, economic, and political organization of the Yukon. It will require that new relationships be pursued with outside political and economic structures. Old ways of doing things must be carefully considered and new ways explored constructively and with an open

mind.

Control by Yukon people can take a wide variety of forms. Encouraging in individuals the belief that they can learn new skills and successfully adapt to changing conditions results in a marked increase in self-respect and in individual control over personal future. Greater community control is one important dimension of this belief; higher levels of ownership of Yukon by Yukoners is another.

Stronger Yukon based and controlled institutions will obviously play an important part in fostering this belief, as will greater political self-determination for individuals, organizations, communities, and the Yukon as a whole.

ACHIEVING AN ACCEPTABLE QUALITY OF LIFE

There is general agreement that future development must be of a nature that it preserves and enhances the quality of life in the Yukon. Yukoners have justifiably been proud of the quality of life they enjoy. Many people are concerned, however, that future change and development could adversely affect these special qualities. One aspect of quality of life which is very important to Yukoners is their individual freedom to make choices about their lives. Other key aspects are discussed below.

Material Well Being

Quality of life has a number of important dimensions. One of these is the material standard of living that most people have been able to achieve in

the Yukon. For wage and salary earners, this means having jobs with earnings at least consistent in real terms with national standard. For business people, it means being able to earn a fair return on capital invested and time devoted to business. For those who participate in lifestyles characterized by non wage activities that include utilizing the renewable and non renewable resources of the territory, it means being able to continue such a life secure in the knowledge that these resources will be maintained and will be accessible.

Public Services

Quality of life also has important social dimensions. In particular, people want and deserve public services and support consistent with national standards, and adapted to the unique Yukon circumstances and needs. This has a number of important implications in terms of economic strategy. On the one hand, the provision of such services and support constitutes an important form of productive activity, providing a wide variety of employment and business opportunities. On the other hand, the provision of such service and support is also dependent on the ability of the Yukon economy to support them. Here, key factors are the strength of the Yukon community and the fiscal and other arrangements that exist between the Yukon and federal governments. Such arrangements themselves become an important aspect of an overall development strategy. Clearly, Yukon people want and expect the federal government to accept its responsibility of ensuring that Yukoners will receive public services and development support consistent with national standards.

Development and the Environment

A further dimension of the Yukon's quality of life is the special role of the unique natural environment. The recent public discussion of the Green Paper on Renewable Resources indicated support for pursuing development policies within a framework that recognizes environmental sensitivities and the capabilities of our northern land and related renewable resources. A complementary link must be established between developmental requirements and environmental concerns.

The land, forests, rivers, lakes, mountains, and wildlife all contribute to the special character of Yukon life enjoyed by residents and visitors alike. This rich natural environment is highly fragile and susceptible to misuse. An acceptable economic development strategy will ensure that present and future generations will continue to know the special qualities of the natural environment.

ACHIEVING EQUALITY

There is widespread agreement in the Yukon today that the question of economic and social inequality must be addressed. Poverty is a problem that exists in the Yukon, as it does in all parts of Canada today. In addition, many people do not have the opportunity to participate on equal terms in the economic opportunities generally available.

Aside from the general question of poverty, an effective development strategy must address the needs of groups who face particular barriers to achieving equality in our society. These groups

include Indians, women, seniors, rural residents, and young people.

Indian people, in particular, experience special difficulties and disadvantages in terms of opportunities and rewards related to the dominant wage-driven industrial society.

While the participation of women is high in the Yukon economy compared to other parts of Canada, women still do not realize earnings comparable with men. In addition, women continue to experience barriers to achieving the same level of educational and employment opportunities as well as decision making responsibility enjoyed by men. Rural residents do not enjoy the same level of economic opportunities as do urban people. The special role and related needs of the seniors and elders in our community are often overlooked as are the conditions facing young people.

There is general agreement in the Yukon today that strategies for economic development must include the realization of greater equality of opportunity for all people. The specific measures that could be pursued in order to achieve this are extensive and deserve special concentrated attention. Their integration into the development strategy is obviously complex, and will require careful consideration of the wishes of those affected and the impact of such measures.

3. STRATEGY THEME

RESPONDING POSITIVELY TO CHANGE

The Yukon is widely and justifiably recognized as a highly desirable place to live. Its attraction, for both Yukoners and others, lies in its natural setting, its resources, and its people.

The remaining years of the twentieth century will be critical ones for the Yukon and its people. Both the world and Canadian economies are undergoing adjustments that will have immense implications for the future of the territory. At the same time, partly in response to these worldwide adjustments, and partly as a result of new internal circumstances, the Yukon is itself experiencing considerable change.

Some have talked about these changes in pessimistic terms, suggesting that the Yukon has gone into an irreversible decline since the heady days of the 1970's, when mineral prices were high and world markets buoyant. While there is no denying that the world recession and depressed mineral markets have caused considerable hardship for many people, they have also encouraged Yukoners to re-examine and build on their strengths.

Today most Yukoners are looking to the future with renewed optimism and hope. People are

recognizing that change and adjustment is possible; and that the future has within it a multitude of possibilities which if seized, can make the Yukon a stronger, more secure, and stable society.

Considered in this way, change can be seen as a matter of capitalizing on opportunities, rather than responding to problems. Managed effectively, change is a part of the process of economic and social development which in the end will provide a secure long-term future for all who choose to make the Yukon their home.

THE TRADITION OF WORKING TOGETHER

People in the Yukon have long recognized the need to plan together to reduce their dependence on external forces. Almost two decades ago, the Carr Report prepared for the Department of Indian Affairs and Northern Development and the Government of the Yukon Territory, examined the potential for growth of the Yukon economy. It served as a touchstone for Yukon businesses, outside investors, governments, and ordinary citizens to plan their activities with a sense of confidence in the direction of the economy. The Yukon has changed and the challenge has changed, but the need for a common vision of the future is more pressing than ever.

While many events are externally imposed, the response to that change is within the power of people and communities. What is required to use this power is a commitment to the process, and a willingness to work with others to improve our common future.

Many important steps towards planning for the 1990's and beyond have already occurred, or are under way. In 1981, for example, a Yukon Government document, The Eighties: An Economic Development Strategy for Yukon, concluded that the "...underlying principle of Yukon's economic strategy through the 1980's is the encouragement of a balanced approach to development and growth for the people of Yukon."

At a meeting held with representatives of Yukon's private sector in 1982, a former Government Leader described the situation in a similar fashion:

> "The Yukon economy, dependent as it is on a single industry sector, has for too long been at the mercy of external forces. The current problems should be seen as an opportunity for both the federal and territorial governments to develop long-term economic plans designed to broaden and strengthen Yukon's long-term base."

A document prepared for the governments of Yukon, British Columbia, and Canada, as part of the Yukon River Basin Study, Economic Growth in Yukon, 1983-2003, stressed the need for co-operation and co-ordination between private and public interests:

> "... prudence dictates that related public and private investment be co-ordinated as closely as possible... Authorities need to determine which use (if any) for scarce public capital will do the most to leverage private development capital in one of the richest, highest-cost investment climates in North America."

The federal and the territorial governments, in co-operation with individuals and organizations, have undertaken a number of important steps toward setting a direction for the future in preparation for the Canada/Yukon Economic Development Agreement. Much of this effort was based on study and work undertaken by the Yukon Government when the impacts of the 1982 world recession and decline in mineral markets became evident.

Communities have taken a number of important initiatives for their future, including the organization of an important community planning workshop in Haines Junction on June 14, 15, and 16, 1985. Several communities are now well into creating community economic development plans.

All of the above activities or initiatives demonstrate Yukoner's ability to work cooperatively. The Economic Development Strategy will build on this foundation.

FLEXIBILITY AND ADAPTABILITY

It is not intended that the Strategy, when developed, be a complete and final statement of what will be done in the future. A plan cannot foresee all future events. It must recognize that needs and aspirations, as well as economic circumstances, change and adapt. A plan must therefore be flexible and adaptable, and be part of an on-going process that provides for re-assessment and change. But a good plan can encompass what we know and expect today, and provide a set of agreed principles and directions that will guide development and provide a basis for co-operative action in pursuit of agreed

goals. It is this kind of plan that is being pursued in creating a Yukon Economic Development Strategy.

ONGOING PUBLIC PARTICIPATION

In creating the Strategy, one principle in particular is clear: it cannot be developed by Government alone and in isolation. The participation of business, unions, native organizations, community groups and individuals -- all of whom have a major stake in the future -- is essential. The Government is inviting such participation on a continuing basis.

4. YUKON PEOPLE

HISTORY

Human presence in the Yukon has been documented at sites near Old Crow to date back at least 20,000 years ago (Blue Fish Cave Site) and possibly 30,000 to 40,000 years ago (Old Crow Flats). In the southern Yukon the oldest evidence of human habitation was found at a site adjacent to the Aishihik River and dated at 7200 years old.

Sir John Franklin may have been the first white to step inside what is now the Yukon when he accidently ascended the Peel River during his 1825-1827 exploration of the Arctic Coast. However, fur trading brought the main exploration thrust into the Yukon; John Bell from the north (Peel and Snake Rivers) in 1839 and Robert Campbell from the south (Frances Lake area) in 1840. Both were in the employ of the Hudson's Bay Company.

In 1898 when the stampeders bound for the Klondike began pouring through the mountain passes, the country into which they were entering was neither unpopulated nor unknown (see Prelude to Bonanza, 1976, Allen A. Wright). Missionaries had long been in the area and the North West Mounted Police had been established near Fortymile, in time for the force to control the influx of gold seekers that were soon to come. Scientific explorers and surveyors, dispatched by learned societies and government agencies, had begun the investigation and mapping of the rugged terrain.

An 1895 census recorded 2600 Indians in the Yukon. The 1901 census recorded a total Yukon

population of 27,219, the largest on record. Between 1920 and 1940 the population dropped to just over 4,000, of which about 60% were non-native and 40% Indian.

Since the mid 1940's the population has once again grown, reaching 26,166 as of June 1, 1986 (based on Health Care Records). The Indian population presently stands at something over 4,045 (1981 Census).

POPULATION SHIFTS AND THE ECONOMY

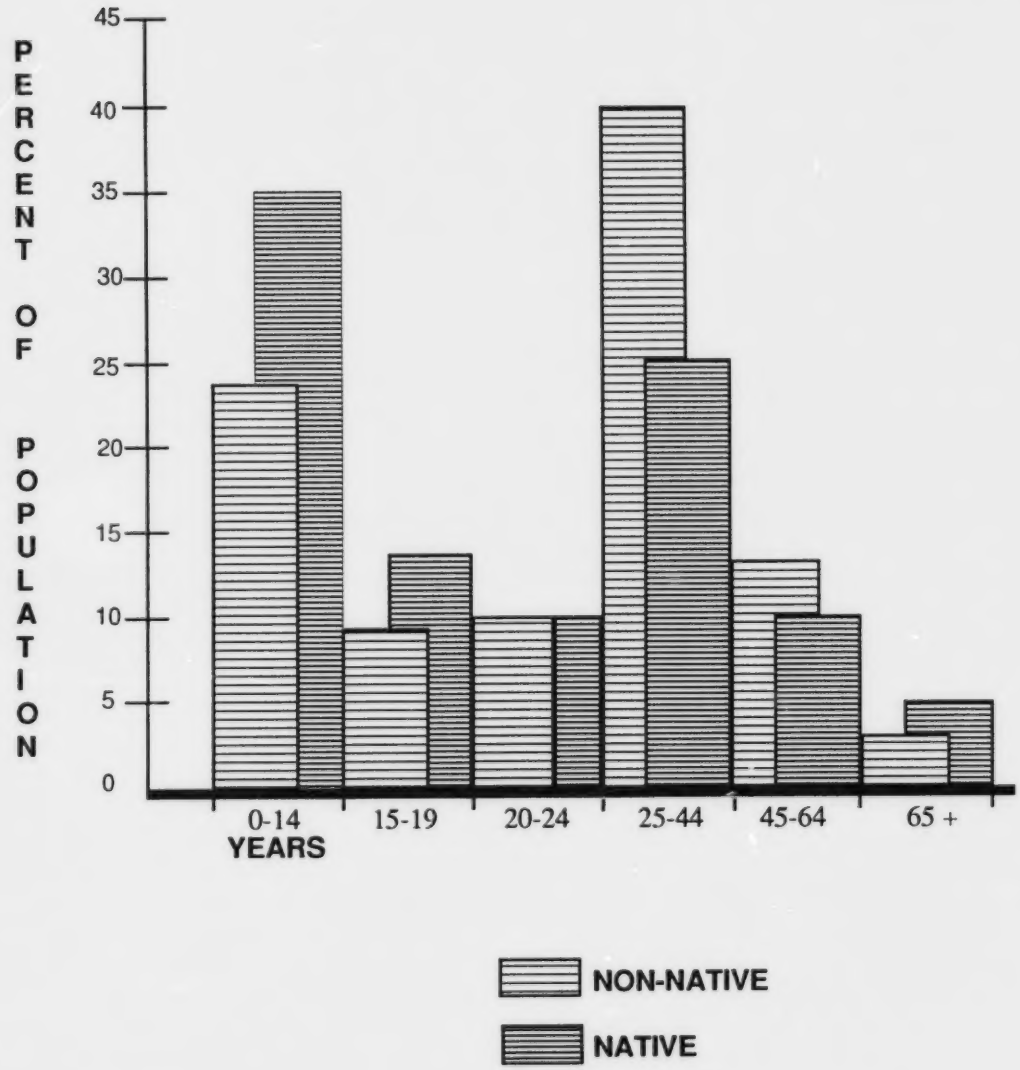
Population changes have historically paralleled ups and downs in the economy. Fur trading interests, the Klondike Gold Rush, military activity, the building of the Alaska Highway, and major mining development have all sparked major in-migrations. Subsequent downturns in economic activity have triggered out-migrations. Throughout all of these cyclical swings the Indian population has not experienced the same in/out migration, but has grown steadily since the early 1900's.

During the economic downturn of the 1980's, the typical pattern of large scale out-migration from the Yukon was not repeated. Rather, out-migration remained at a relatively constant level and in-migration was reduced. Between 1981 and 1985, the level of in-migration fell by 35%. This indicates that many of those unemployed in the most recent downturn decided to remain in the Yukon.

AGE DISTRIBUTION AND IMPLICATIONS

Figure 1 shows the age distribution of the

FIGURE I
AGE DISTRIBUTION OF NON-NATIVE AND INDIAN POPULATION (1981 CENSUS)



non-native and Indian populations. The proportion of Yukon non-natives in the 25 to 44 year age group, the prime working age group, is very high in comparison to the Yukon Indian population and indeed the general Canadian population. This tends to support the notion that many Yukon non-natives are highly mobile, coming into the territory in response to job opportunities. The population age distribution of Yukon Indians is close to the national native age distribution. This reflects the fact that the Indian people are less mobile than the non-native population.

The population of Yukon is relatively young. Over one-third of the population is 19 years of age and less, and almost two-thirds of the population is under 30 years of age. The age distribution of the Indian population is even more skewed toward younger people: one-half of the Yukon Indian population is 19 years or younger.

Approximately 400 young people come of working age each year, while only 100 people reach the age of retirement. This means that the number of new opportunities to participate in the economy must expand substantially each year if these young people are to be provided a place in the future of the Yukon. Indeed growth in employment opportunities of 3% per year would be required to meet this job demand. If unemployment is to be reduced to an acceptable level over the next five years, a growth in employment opportunities of nearly double that would be required.

Given that historically, the Canadian economy has experienced growth in employment of 2% to 3% per year, the employment needs of the current

population represents a major challenge for the future.

GEOGRAPHIC DISTRIBUTION

Approximately 70% of the population lives in Whitehorse, while about 6% live in each of Dawson City and Watson Lake. The remainder of the population is located in rural areas and in 14 small communities ranging in size from 80 to 600 people, many quite distant from Whitehorse. This large concentration of population in one major urban centre, with a wide dispersal of people in a fairly large number of smaller communities, results in a special set of conditions that must be dealt with in considering our economic and social future. Transportation and communications systems between Whitehorse and the smaller communities take on a special importance. The role of communities in resource management and decision making must be carefully defined and respected to ensure balance between the relatively large urban centre and the rest of the Yukon.

EDUCATION AND TRAINING

One of the great strengths of the Yukon is the wealth of skills and abilities of the people. The 1981 census shows, for instance, that Yukon people exceed the Canadian average in terms of educational attainment. Only 13% of the Yukon population has less than a Grade 9 education, compared to 21% for the whole of Canada. Further, 49% of the Yukon population has post-secondary education, compared to only 39% for the whole of Canada.

The above statistics take on a different

dimension when a non-native/Indian comparison is made. Over 35% of Indians have less than a Grade 9 education and about 25% have post-secondary education. In fact the high level of educational attainment for Yukon people may be attributable more to the educational levels of those migrating into the Yukon than to the pursuit of education by those living in the Yukon. Barriers to education and training including cultural barriers, availability and affordability of child care, financial costs associated with taking programs, location of programs and so on must be addressed as part of the Economic Development Strategy.

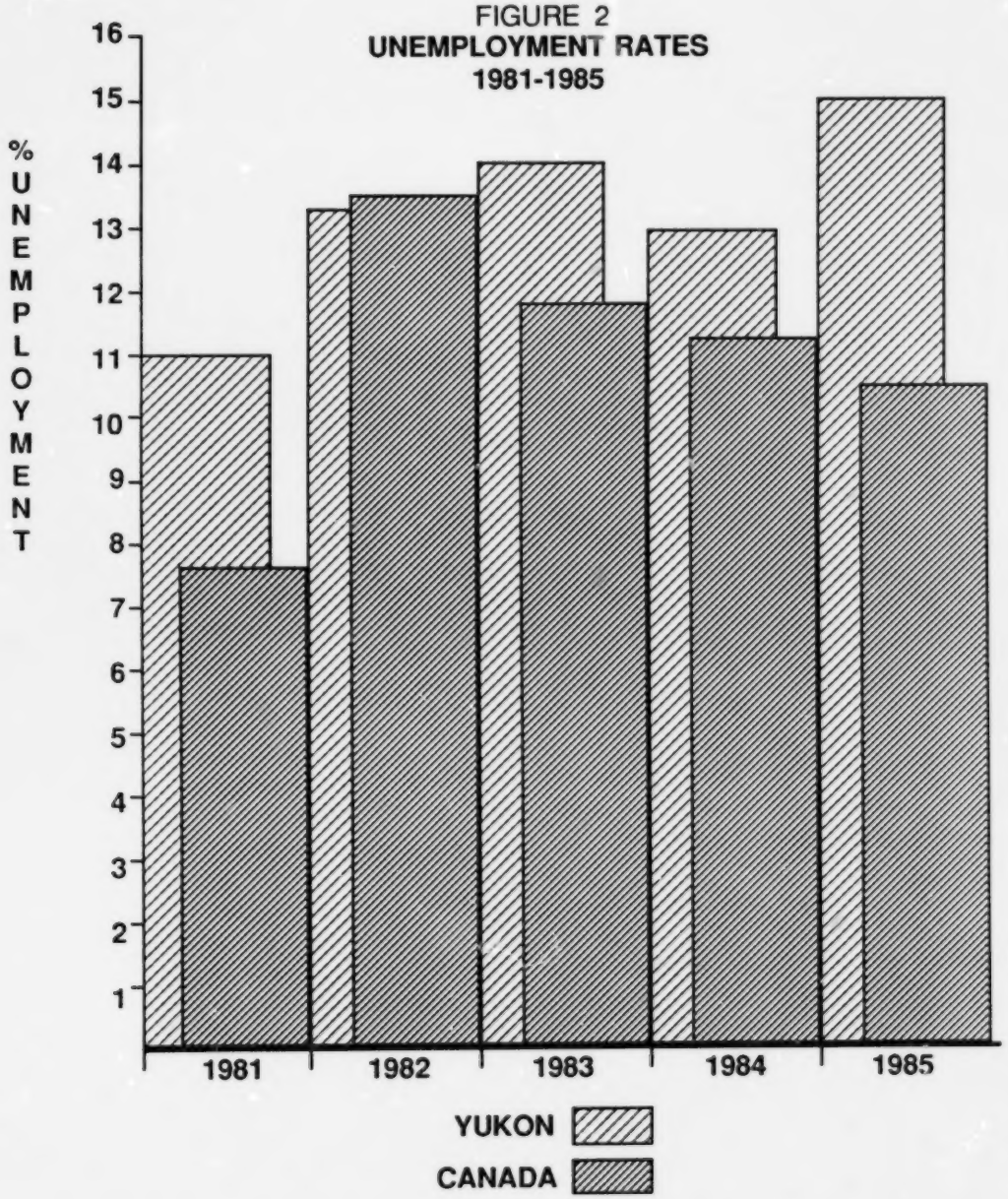
LABOUR FORCE AND EMPLOYMENT

Between 1981 and 1985 the Yukon unemployment rate increased from 11% to 15%, while the Canadian unemployment rate increased from 8% to 11% (see Figure 2). Along with no net increase in the number of jobs during this period, unemployment in the Yukon was exacerbated by an increase in the number of people actively seeking work. As noted earlier, creation of new jobs is a major challenge facing the Yukon.

The employment to population ratio measures the employed labour force as a percentage of the labour force aged population. In 1981 the employment population ratio was about 8% higher in the Yukon than in Canada. In 1985, the employment population ratio in the two areas was about the same. This change occurred as a result of changes in the labour force population, a reduction in the participation rates and reduced employment opportunities.

The burden of unemployment falls more heavily

FIGURE 2
UNEMPLOYMENT RATES
1981-1985



SOURCES: **BUREAU OF STATISTICS, YUKON GOVERNMENT**
STATISTICS CANADA

on some segments of the population than on others. Unemployment rates are higher among youth, Indians and rural residents. Furthermore, participation rates are lower in the rural areas and among Indians, youth and women. This has implications for income levels and income disparities among the different population segments.

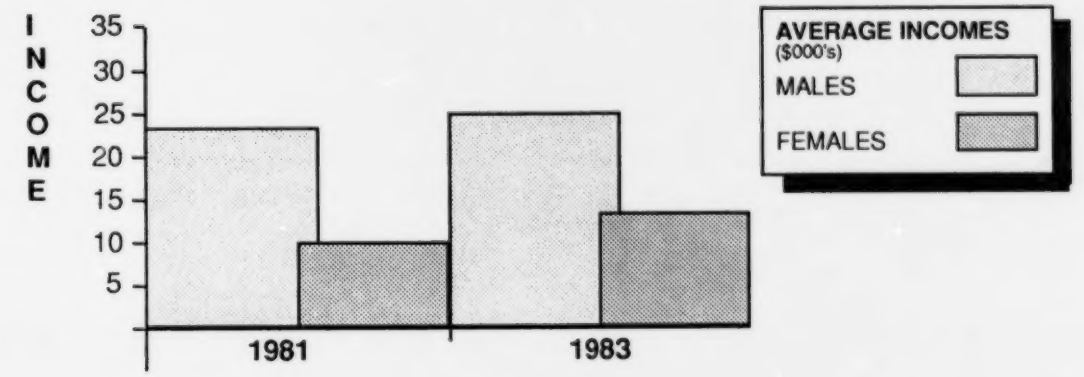
INCOME

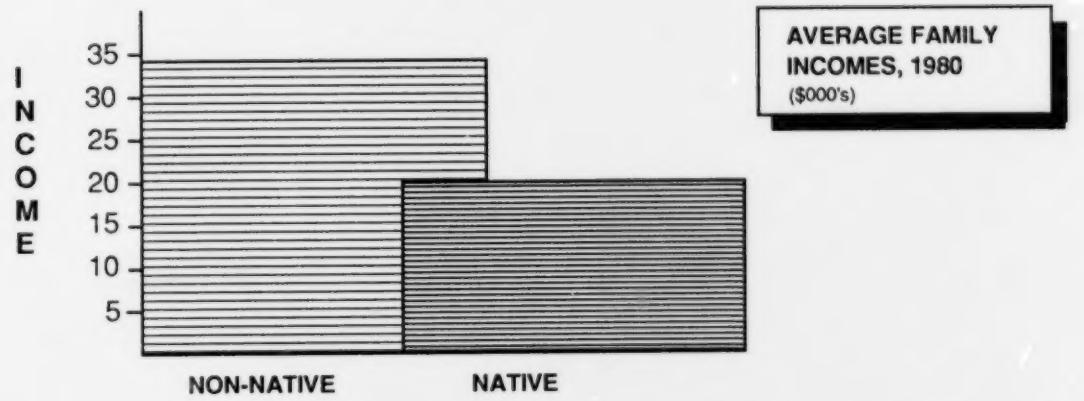
Average income in the Yukon is consistently higher than the Canadian average. Between 1981 and 1985 however the drop in real earnings was significantly greater in the Yukon than in Canada, with the Yukon experiencing a reduction in real average annual earnings which was twice that experienced in Canada.

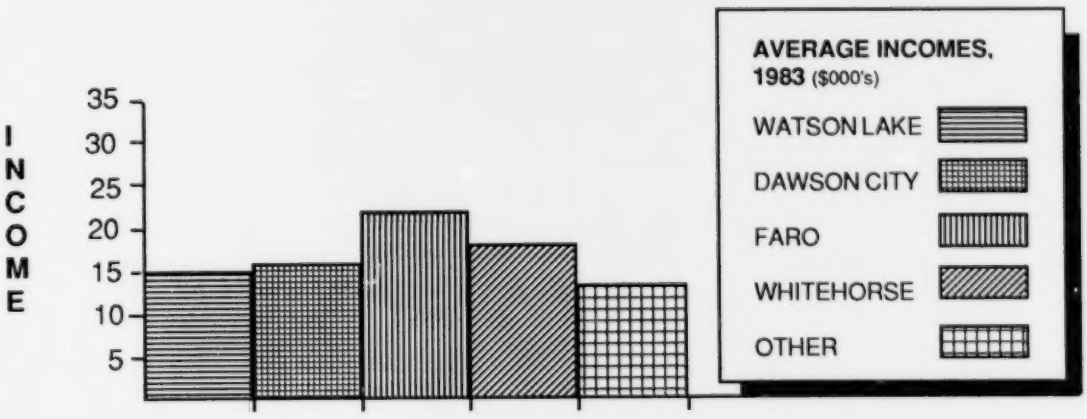
In 1983 the Yukon average income was $19,148 based on a $24,3992 average for males and $13,841 for females. Average employment income for 1981 and 1983 is shown below in Figure 3. In 1983 female incomes averaged about 56% of male incomes. The disparity has lessened somewhat from that experienced in 1981 when the average female income was 46% of the average male income.

Family incomes are also consistently higher in the Yukon than in Canada. Yukon's all family average for 1980 was about $32,000. However, a large gap existed between non-native families with an average of $34,000 and Indian families with an average of $21,000. At the time of the 1981 Census the average income for Indian people amounted to 62% of the average income of non-Indians.

FIGURE 3
INCOME LEVELS, YUKON







Land claims settlements will provide a stronger economic base for Indian people and enhanced opportunities for fuller participation in all sectors of the economy. This can assist in reducing income disparities between Indian and non-native people.

Income statistics also show major variations between communities. In 1981, average male incomes ranged from $11,081 in Teslin to $20,510 in Whitehorse and $27,009 in Faro.

Regional income disparities are accentuated when cost of living differences are taken into account. For example the cost of a typical food basket in Teslin is 65% of that in Old Crow. Other communities lie in between. The true cost of electricity provided in communities varies across an even greater range although such costs are masked through federal subsidy programs.

The implications of regional variations in income levels and living costs must be factored into any Economic Development Strategy. However it must be recognized that non-economic factors which may often balance regional economic disparities are also important to many Yukoner's particularly in choosing their home location.

5. THE YUKON ECONOMY

THE NON-MARKET ECONOMY

As in all economies, the Yukon economy has a component which does not function within the standard market system. It incorporates a broad range of activities including activities for which no money is exchanged (e.g. housework, non-commercial hunting) and activities for which money is exchanged but not recorded as part of the regular transactions within the economy (e.g. proceeds of garage sales). As part of the Economic Development Strategy, our concern is with those activities for which money is not exchanged.

Housework is the major type of productive non-market activity in the Canadian economy. Studies which estimate the economic value of housework in Canada place its value at one-third or more of the value of Gross National Product. It follows that the importance of housework to the Yukon economy is significant.

The importance of the non-market component of the economy is often down played or ignored. This is in part because it is more difficult to attribute dollar values to non-market activities and there is less information on this sector. This in turn makes it difficult to analyze in terms comparable with the market sector.

A special characteristic of the Yukon economy is the importance of the non-wage subsistence sector. Both Indian and non-native people participate in the subsistence non-market sector. It includes the

non-commercial activities in such areas as hunting, trapping, fishing, agriculture and forestry.

The economic contribution of the non-market component of the Yukon economy is significant. For example, recent extrapolations of the value of native hunting and fishing in the Yukon suggest the economic value of just this portion of the non-market sector is over $10 million. This dollar estimate is based on comparisons with store bought substitutes.

The non-market sector is important not only in an economic sense. It also has significant social and cultural value for those who participate: in fact most Yukoners. It is because of this significance that the non-market economy will be examined as part of the Economic Development Strategy.

THE MARKET ECONOMY

Four Dominant Sectors

The Yukon market economy is dominated by three basic sectors: government, mining and tourism. These in turn are supported by a major service sector.

Forty percent of Yukon employment is directly dependent on government and an additional twenty percent is indirectly dependent. Federal transfer payments account for the bulk of government expenditures and thus decision making is heavily dependent upon the Federal Government.

Both mining and tourism are heavily influenced by external economic conditions and both are "export" industries. However, while mining has

responded to major fluctuations in the world metal markets over the past decade, causing huge shifts in activity, tourism has experienced a steady and marked growth.

With the Faro mine operating, mining directly employs about 8 percent of the territorial labour force. Tourism consists of over 500 businesses directly and indirectly employing about 15 percent of the labour force.

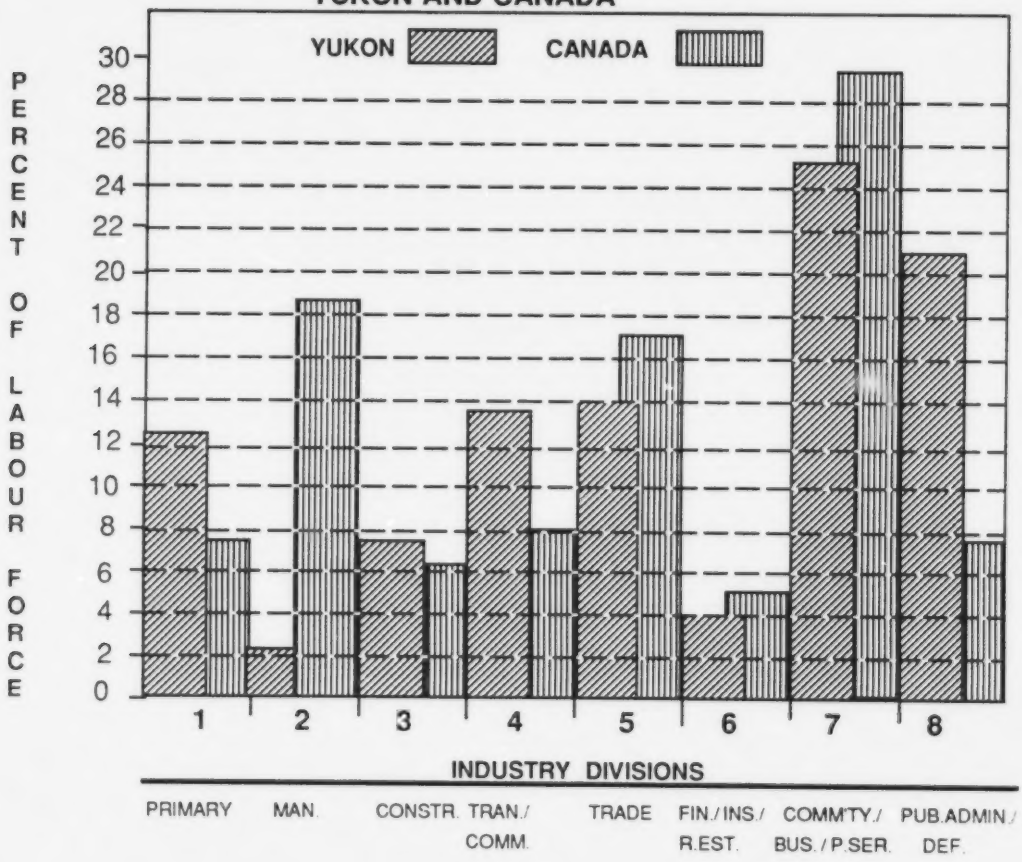
The service sector provides stable employment for about forty percent of the Yukon's labour force. Much of this sector is dependent on government activities and the mining sector.

The above characteristics are reflected in Figure 4 which shows the percentage of the labour force in each industry division for the Yukon as well as for Canada.

The Boom-Bust Phenomenon

The Klondike Gold Rush, Alaska Highway construction period and the intensive mining activity of the sixties and seventies were all followed by major downturns that have resulted in a "boom-bust" label for the Yukon economy. During the booms there have typically been shortages of skilled labour, substantial in-migration of skilled workers and rising wages and prices within the economy generally. The downturns have, in turn, meant rising unemployment, out-migration of people and declining real wages. The associated instability has rippled through the economy, causing considerable

FIGURE 4: **EMPLOYMENT BY INDUSTRIAL DIVISIONS, YUKON AND CANADA**



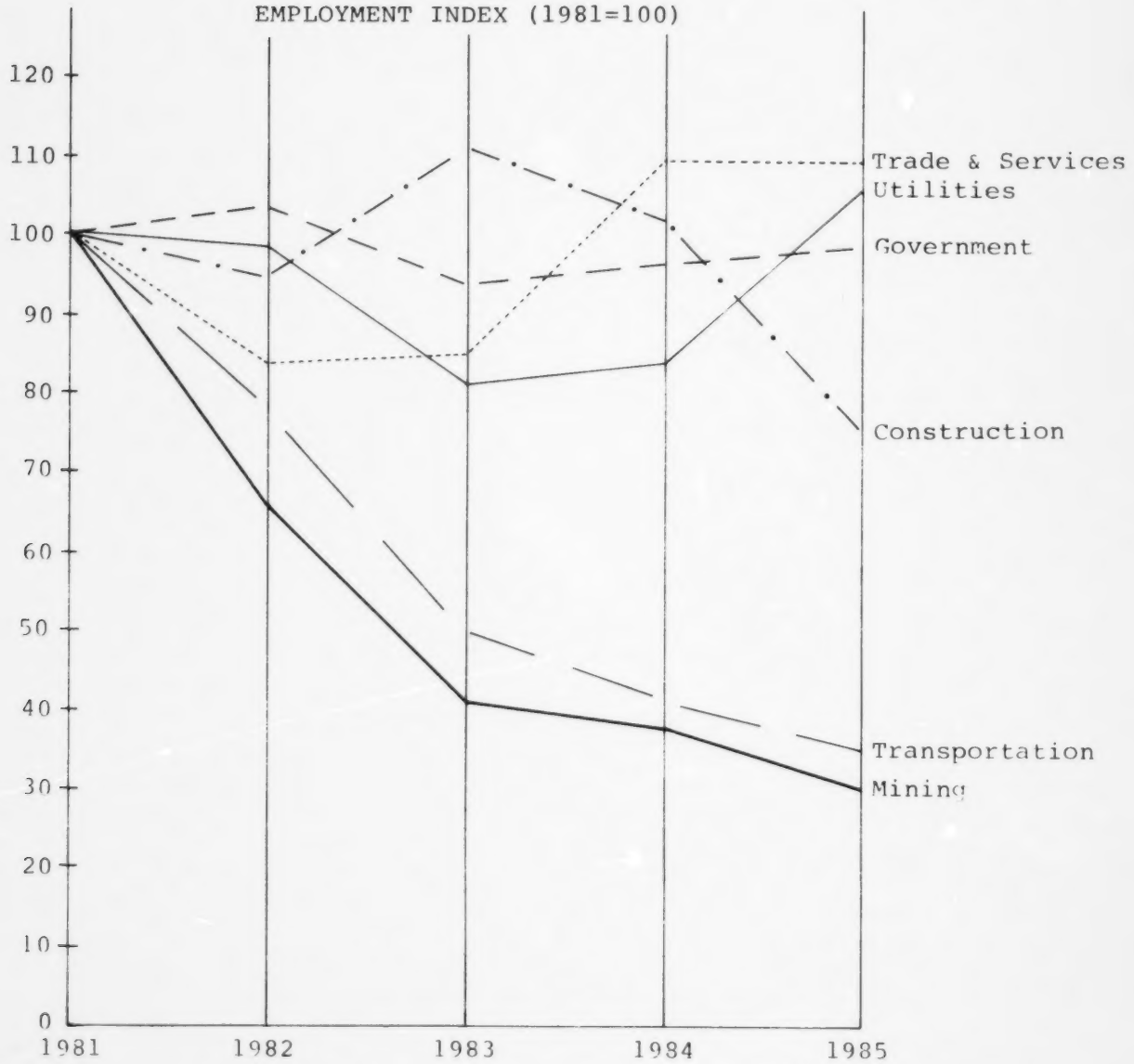
difficulties and hardship for a large number of people and businesses.

Cyclical swings in mining, in particular, have triggered very large in-migration and out-migration. However, it is of much interest to note that the economic and social response to an unprecedented collapse of the hardrock mining industry in 1982 has broken from much of the previous "bust" pattern. In-migration fell while out-migration remained relatively constant during the 1980's. Major shifts in the Yukon's employment picture did occur between 1981 and 1985.

The shifts are reflected in Figure 5, which shows Yukon employment indexed to 1981. Mining employment fell by two-thirds between 1981 and 1985 and its contribution to value-added in the territory fell even more. During the same period the unemployment rate more than doubled. Between 1981 and 1983, the number of full-time jobs declined by 15% and population fell by over 10%, a serious deterioration by any standard. However, the economy did not collapse and the overall recession was less severe than in other downturns.

A number of factors came into play including those listed below. First, government embarked on a major program of capital construction, including the Fourth Wheel at the Whitehorse Dam, the Whitehorse Air Terminal and a number of highway construction projects. Second, throughout this period tourism grew steadily. Third, placer mining remained relatively stable although below its peak achieved in the early eighties. Fourth, Beaufort Sea oil and gas activities generated a significant boost to the Yukon economy. Fifth, the business community

FIGURE 5: **YUKON EMPLOYMENT**
1981 - 1985 INDEXED TO 1981



responded by drawing down on profits and maintaining staff rather than simply giving up. And finally, the time duration of the downturn (if in fact it is over) was short enough for the short term measures listed above to provide an adequate bridge.

While the complete picture remains to be established and the ongoing fragility of the Yukon economy clearly remains, the above factors reflect a robustness in the economy and a commitment by Yukoners that has not previously been apparent. In addition, a number of Yukon businesses faced with a reduction of Yukon markets have successfully turned to Alaskan markets.

While the overall response to the recent recession must be interpreted cautiously, there is reason for optimism.

Weak Sectoral Linkages

A third important feature of the economy has been that linkages between sectors have been relatively weak. There has been a strong dependence by consumers and by each of the sectors of the economy on imported goods and services. This has arisen partly because instability itself has made it difficult to build stable commercial enterprises serving Yukon needs, but also because of such factors as high production costs, including the cost of energy, limited access to capital, and the small scale of internal Yukon markets. The overall result has been that comparatively speaking, little of what is consumed in the Yukon is produced in the Yukon, meaning that internal Yukon needs have not contributed to the maximum in generating business

and job opportunities.

Leakages represent financial drains to the economy and include payments to those outside of the Yukon for goods and services consumed in the Yukon. Somewhere in the neighbourhood of $100 million in petroleum product expenditures, $40 million in food expenditure and $40 million in expenditure on manufactured goods annually flows out of the Yukon.

Increased local production of goods and services for the basic industries and the Yukon population in general would increase the strength of the territorial economy. However there can also be negative side effects. A stronger tie to an unstable basic industry such as mining can increase volatility in the dependent, secondary and tertiary industries. Very good examples of the problems this can cause are now evident in the Northwest Territories with the collapse of Beaufort Oil and Gas Exploration activities.

A second mechanism to promote import substitution is arbitration. Creation of larger centres (at the expense of rural communities) can provide the population base for such industries as printing, education and training facilities and health care services. However the result can be weaker outlying communities and a more dominant urban centre, a result that would have to be weighed very carefully with the goals and aspirations of all Yukoners.

The Importance of Small Business

Another important feature of the Yukon economy

is the importance of small business in terms of employment and overall business activity. Approximately 90% of the businesses in Yukon employ less than 6 employees, and 98% employ 25 or fewer employees. Small business is clearly the dominant form of business activity.

External Ownership and Control

A further charactistic of the Yukon economy to be noted is the degree of external ownership and control. Unfortunately, no reliable data are available to determine the exact magnitude of ownership of business by non-Yukoners. However, this phenomenon is widely recognized by governments and business alike, and has been of continuing concern in efforts to build a stable, more secure economic base in the Yukon.

Land Claims Settlement

Resolution of land claims and the establishment of developmental institutions for Indian people at the territorial and band levels will enhance opportunities for greater Indian participation in the market economy. Land Claims settlements will not only strengthen the economic base of Indian people but can produce a stronger economy overall. For example, the relocation of the Kwanlin Dun Band will inject in excess of $13 million directly into the Yukon economy over the next five years.

6. SECTORAL OPPORTUNITIES

Each sector of the economy has its particular strengths, problems and concerns. The strategy must strive to put in place a planning framework that can deal with those issues in a consistent and productive fashion, taking full account of the complex links and trade-offs between sectors of the economy and between economic concerns and social and environmental concerns. Below is a very brief review of the status and potential of sectors of the economy that are important either because of their size or because they appear to offer particularly strong opportunities for development. A major task at hand is to refine and flesh out this picture with a view to identifying sectoral issues that need concerted study over the coming months.

GOVERNMENT

In 1985-86, approximately $74 million was spent by the territorial government in the area of economic development. This definition includes expenditures across a range of government departments which have a direct impact on economic development in the territory.

Capital expenditures in the field of economic development total $29.6 million. This includes government capital expenditures in a wide range of areas, from construction of highways, campgrounds and Yukon College, to Economic Development

Agreement expenditures.

Operations and maintenance expenditures in the field of economic development totalled $44.8 million in 1985-86. Again, this covers a wide variety of program expenditures. Incorporated in this estimate are expenditures in tourism marketing, fish and wildlife services, student financial assistance and highway maintenance to list but a few.

The dominant role of Government in the Yukon's economy has been previously described. The link between that dominant role and the dependence of the Yukon on the Federal Government is clear. While accepting that several factors justify significant economic flows from southern Canada to the north, including sovereignty, supply of natural resources and redress of regional disparities, the balance between those flows and acceptance of external influences on Yukon decision making must be carefully weighed.

From another perspective, the public services are an important factor contributing to the quality of life, and a potentially important source of employment. Consideration must be given to the possible need for new and enriched services, and the implications that the provision of these would have for the economic future of the Yukon, both in terms of financial demands and in terms of expanded and new employment and business opportunities.

NON-RENEWABLE RESOURCES

Mining

Within seven months in 1981-82, all three major

hard rock mines closed for a variety of reasons, reducing employment in mineral production from nearly 1200 in 1981 to about 270 in July of 1982. While some contraction followed the 1980 fall in gold prices, placer mining did not experience the complete collapse that hard rock mining did. By 1985, gold production, mainly by placer miners, accounted for two-thirds of Yukon's mineral production.

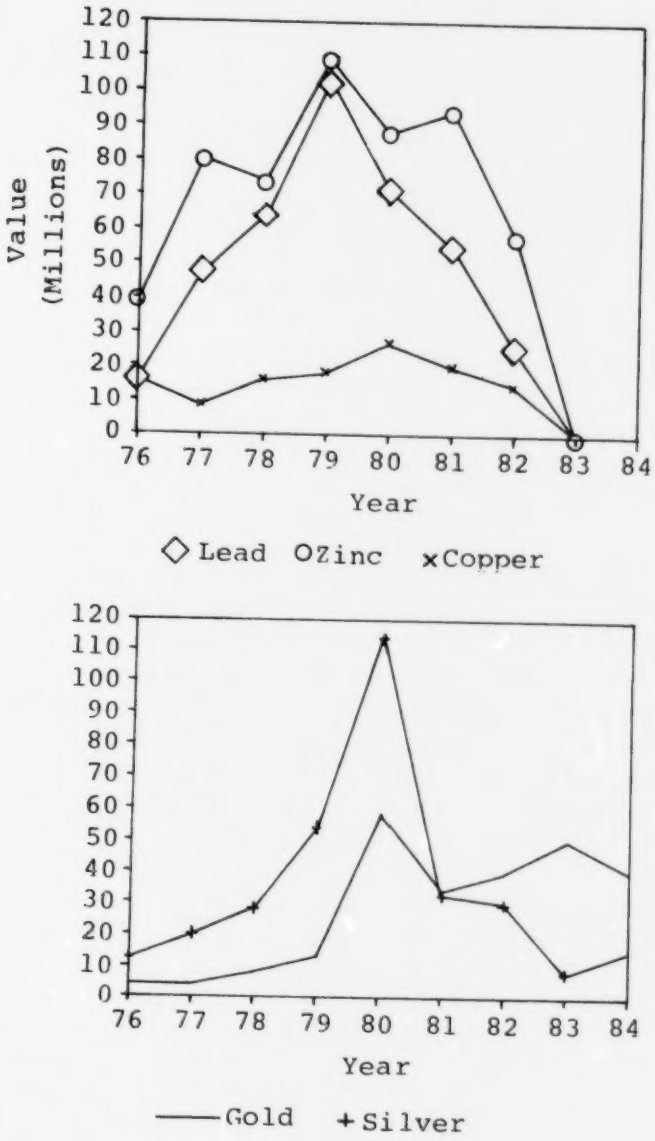
Figure 6 shows the value of Yukon mineral production between 1976 and 1984.

The mining downturn caused further serious job losses in other sectors, particularly in the transportation, retail trade and service industries. Transportation employment in 1985, for example, amounted to 309 jobs, compared to 869 in 1981.

Growing out of this experience has been the awareness that two sorts of diversification are needed: diversification within the industry and diversification across industries. With operating mines at Faro, Mt. Skukum and Elsa, as well as ongoing placer mining activity, the industry has regained some degree of internal diversification. This characteristic must be strengthened and stronger links forged to other sectors.

Within the international mining industry metal markets have diverted interest from base metals such as lead and zinc to precious metals, particularly gold and silver. Interest in industrial minerals such as barite (drilling mud) has risen and fallen depending on activity in the oil industry. All of these trends can quickly change. However, the rich Yukon mineral resource base should be able to span these variations whether it be through activity on the high

FIGURE 6: **VALUE OF YUKON MINERAL PRODUCTION 1976 - 1984**



Source: Yukon Statistical Review, Third Quarter, 1985

MacMillan Pass lead zinc and tungsten deposits, small precious metal deposits being sought in the Dawson Range, Mt. Skukum areas and elsewhere, and/or ongoing placer mining activity.

Over 40 mineral prospects have been classed as major discoveries. The development of these deposits will depend primarily on trends in world mineral prices. However, government policies will influence the scale and timing of these developments. Exploration incentives and infrastructure development can be used to stabilize the industry as can profit-sensitive royalty structures and incentives for the development of small mining operations.

Oil and Gas

Over the past three years the Yukon has benefitted from an annual infusion of between $6 and $8 million from Beaufort and Mackenzie Delta oil and gas exploration activity. In 1986 this figure is expected to drop dramatically and essentially be negligible in 1987.

While gas reserves exist in the Yukon's southeast corner (Kotaneelee) and both gas and oil have been documented in the Eagle Plains area of north central Yukon, no production is imminent. Recently, interest has also been shown in the Whitehorse sedimentary basin.

Interest in the massive Foothills Alaska Highway Gas Pipeline project has waned completely.

The possibility of gas production from known Yukon sources to supply the Whitehorse market

(small diameter pipeline from either Kotaneelee or Eagle Plains) has been thoroughly investigated and found to be infeasible at present.

The international downturn has clearly dampened possibilities for Yukon participation in the oil and gas industry within the next few years. Over the longer term, however, as prices recover, oil and gas, both on land and in the offshore Beaufort, may well play a significant role in the Yukon's economy.

TOURISM

Tourism is a growing industry in the Yukon. There appear to be very substantial opportunities to expand this industry further. The number of border crossings has risen by approximately 10% for each of the past three years. Tourist expenditure is also up proportionately.

The aging population across North America (generating more tourists), a weak Canadian dollar, the lower price of gasoline and unease among Americans about air travel abroad will all contribute to increasing numbers of tourists in the Yukon in the next few years.

While seasonal, the tourism sector is less cyclical than the mining sector, in part because many tourists are retired and on fixed incomes. This characteristic has contributed significantly to the stability of the Yukon economy.

Further stability and growth can also be achieved by promoting locally controlled tourist development including accommodation, outfitting and

tours and the increased use of local materials and services. This will tend to reduce the seasonality of the industry since management and material production are more year-round activities. Such a shift would also raise the average wages in jobs resulting from tourism, since at present most of the work-force is concentrated in the "Accommodation and Food Service" employment group where wages are relatively low.

Programs aimed at increasing the length of tourists' stay and emphasizing tourists who's primary destination is the Yukon may strengthen the industry, but may not be feasible in some instances.

The $10 million Tourism Sub-Agreement to the Canada/Yukon Economic Development Agreement should play a significant role in encouraging the tourism industry.

ENERGY SUPPLY

Close to $100 million is spent on energy in the Yukon each year and leaves the territory never to return. This leakage represents the single largest drain on the Yukon economy. Most of this figure represents the cost of imported petroleum products.

High energy costs represent a major burden to industrial activities, a major cost to tourism through accommodation and travel costs and a major cost to every resident.

The recognized cost effectiveness of energy conservation -- particularly as it applies to building design, construction, and retrofitting -- offer one option for significant savings. The job creation

aspect of energy conservation measures are also attractive.

An ongoing effort must be made to understand and deal with this topic.

RENEWABLE RESOURCES

Agriculture

Over $40 million leaves the Yukon each year to pay for imported food. This figure represents the second largest drain on the economy and clearly any local production of food which can be produced at competitive prices is desirable. In response to this concern the Government of Yukon has recently established an Agriculture Branch in the Department of Renewable Resources.

Agricultural production in the Yukon has been directed primarily to cool season vegetables, certain fruits, forage crops, oats and barley. In 1984, the total value of agricultural production was $1.3 million. Recent legislation will permit the sale of local agricultural products including eggs, poultry and red meat to retailers. Options for commercial utilization of wild meat are under review.

Yukon agriculture production will require ingenuity and staying power: conditions are harsh and costs high. However, as an industry it must form an integral part of the Development Strategy.

Hunting

In 1985, 406 licences were issued to visiting trophy hunters. They spent an average of $10,000 each on outfitting, hotel rooms, food supplies,

equipment rental and other items, contributing about $4 million dollars to the economy. In the same year, 4,575 licences were issued to Yukon residents.

Moose, caribou, sheep, goat, ptarmigan, geese, grouse, beaver, muskrat, lynx, squirrel, ducks and fish are harvested for human consumption in Yukon. In some communities, these represent a major food source. Skins are also used locally in some communities. Estimating an economic value of the game harvested for consumption is a task that economists have not yet accomplished adequately. One estimate for 1974, using admittedly imperfect comparisons with store-bought substitutes, found a replacement cost of $1,317,580 for the meat and fish harvested for direct use in Yukon. More recent estimates are significantly larger, with some suggesting the value is over $10 million. This topic is not well researched and will have to be carefully reviewed as part of the Development Strategy.

Fishing

Fishing plays a major role in supplementing the incomes of and the diets of many Yukon residents although the magnitude of its contribution to subsistence living is unknown. The commercial fishery is small compared to the sport fishery. The latter provided an estimated 170,000 person-days of angling for 11,500 residents and 8,500 visitors in 1980. The sport fishery is thus strongly linked to the tourism industry. A 1983 study estimated tourist expenditure resulting from the sport fishery at $3.8 million. The same study estimated that 130 seasonal jobs resulted directly from non-resident sport fishing.

The main component of the commercial fishery is salmon fishing in the Dawson City area. the value of the catch from this fishery over the 1979-1984 period was about $565,000 annually. However, this salmon stock (Sockeye and Coho) is now in decline due to the international situation and a lack of an agreement with the USA on the Yukon River Fishery. As a result, small catches are likely in the near future. The maintenance of this industry in the longer run depends on appropriate conservation measures being put in place. There is also a small freshwater commercial fishery harvesting whitefish and lake trout. The development of this industry could result in a limited amount of import substitution.

Outdoor Recreation

In addition to the hunting and fishing previously discussed, non-consumptive outdoor recreational activities represent a dramatically expanding industry throughout North America. Guided hikes, canoe trips, rafting trips and ski trips that allow urban dwellers to experience the Yukon's untouched wilderness are now an established contribution to the Yukon economy. There is a strong link to the tourism industry but participation by Yukoners is also a major factor.

Trapping

Fur prices are highly unstable and, as a result, the value of fur production fluctuates quite widely. The market has been disrupted by the anti-trapping lobby but shows signs of recovery. The development of fur farming, humane trapping

techiques, and local fur-garment and footwear production could provide a more stable market. The total value of fur production last year was about $1 million.

Forestry

Forestry production in 1985 amounted to about $5 million and was the result of about twenty small scale operations. Even within the special constraints of the Yukon's forest resource only a portion of harvestable timber is now being taken.

Expansion of this industry appears to depend primarily on the expansion of local markets. The need for kiln-dried lumber and the lack of its local production has caused an ongoing importation of lumber products. An economic strategy stressing the use of local goods wherever possible could lead to a much larger market. The use of pressed wood beams in construction projects is one example of this approach. The use of local lumber in furniture construction also warrants more attention. Yukon pine is well suited to furniture use due to its hardness and fine grain that results from its slow growth.

Recent and planned investment in kiln facilities at Watson Lake, a planned Whitehorse based glulam plant (beam manufacturing) and government efforts to purchase locally made wood products should lead to a higher value of product sales.

Forestry may provide a key component of dealing with the drain on the Yukon's economy caused by imported petroleum products. Wood is increasingly being used as a home heating fuel. In

addition however, the possibility of district heating systems utilizing mill waste products and modern low-pollution burning equipment will not only provide a locally based energy source but will also cause a major improvement in the economics of Yukon milling operations.

MANUFACTURING

The Yukon manufacturing sector is small. The bulk of manufacturing goods consumed in the Yukon are imported, and represent the third largest drain on the economy. Main constraints on the development of manufacturing are the small, fragmented and unreliable local market, high and unstable input costs and the great distances and high transportation costs to export markets.

Printing and publishing and wood products represent the largest manufacturing industries. Increased emphasis on the improvement of housing, social services and education should provide markets for locally produced construction materials and furnishings. Similarly, stronger growth in other sectors such as tourism could provide expanded markets for other locally manufactured goods. For these opportunities to be full realized, co-ordinated effort in support of import substitution efforts by local manufacturing firms is required.

An often forgotten component of this sector is the manufacture of Arts and Crafts, its potential for growth and export, and its link to both the tourism industry as well as the subsistance non-wage economy. Work on developing the Yukon Arts and Crafts industry is underway and must be carefully co-ordinated with the Development Strategy.

THE SERVICE SECTOR

The service sector includes retail and wholesale trade, technical support trades, financial institutions, professional services (doctors, lawyers, accountants, engineers, dentists, etc), food, beverages, hotels, restaurants, and the personal service component of transportation. While existing to support other components of our society, it in fact represents the largest single employer at the present time (slightly larger than government).

National and international trends suggest that as we move further into the "information society" more and more employment will be provided by this sector.

An often forgotten aspect of the service sector is the "cultural services and activities" category. Certain groups are now promoting the construction of a Yukon Multi-Cultural Arts and Communications Centre. If feasible, the multi-million dollar proposed facility could provide a focal point for the performing arts, visual arts, crafts, related retail trade, and Yukon movie and television production. Spin offs to many other sectors of the economy are possible.

Within the Yukon less attention has been paid in the past to the service sector compared to the primary industries. Consulting services alone account for approximately $3 million in our economy and options for encouraging Yukon based research and development have hardly been considered. Efforts to establish a Yukon Science Centre have been the subject of major federal/territorial/Yukon Science Institute discussions over the past year.

This sector requires careful review as part of the Development Strategy.

7. FARO WORKSHOP SUMMARY

The first formal step in the Economic Development Strategy process was a workshop held in Faro, June 20 - 22, 1986. Participants at the Faro Workshop included representatives of key interest groups in the Yukon economy. The purpose of the Workshop was to discuss the overall goals of the Economic Development Strategy and examine key issues facing economic development in the Yukon.

The Faro Workshop discussions can be summarized into six main themes; 1) Yukon Societal Goals, 2) Resource Development, 3) Human Development, 4) Community Development, 5) Business Development Support and 6) Specific Government Issues. A summary overview of the Workshop is presented here. A more detailed report of the Workshop discussions is available from the Department of Economic Development.

YUKON SOCIETAL GOALS

Key elements of what constitutes Yukon's quality of life emerged from the Faro Workshop. These elements are:

- Freedom of choice;
- Material well-being;
- Unspoiled and clean environment;
- Ethnic diversity; and

- Small size of population and associated low growth rates.

Although no priority rating of these elements emerged from the Faro Workshop, participants felt these features identified the quality of life considerations to which Yukoners are committed.

There was general agreement that the suggested goals were a good starting point for reaching an accord on Yukon societal goals. The goals are:

- The option to stay in the Yukon;

- Taking control of the future;

- Achieving an acceptable quality of life; and

- Achieving equality.

No concensus was reached however on the detailed definitions of the goals, their relative importance, the comprehensiveness of the goals and the time frame within which they should be pursued.

To continue this discussion and broaden it to incorporate the views of more Yukoners, the Yukon 2000 Development Strategy process will be implementing a public consultation process over the fall and winter.

RESOURCE DEVELOPMENT

Natural Resources

The discussions on resource development focused on the opportunities and conflicts associated with developing Yukon's natural resources, the role of the non-wage sector and the importance of the environment.

Opportunities were identified in the renewable and the non-renewable sectors. In the renewable sector, the seasonal nature and the potential for growth of small businesses were highlighted. Primary business opportunities identified in this sector were in the areas of tourism, agriculture, and forestry.

Discussion on the non-renewable sector emphasized two points:

- the need to encourage exploration and research; and

- the need to develop alternative cheaper energy sources.

The Non-Wage Economy

There was a great deal of debate on the value of the non-wage economy. It was felt that more information was required and that the growth of the non-wage subsistence sector would be a benefit to the Yukon economy as a whole. The importance of

the non-wage subsistence sector to Indian people and the potential for expansion of this sector was stressed.

The Environment

The Workshop participants were unanimous on the need to protect the environment. The quality of the environment was viewed as an integral part of the Yukon's quality of life. There was general support for the concept of multiple use in resource management and many believed that most resource use conflicts were resolvable. While there was debate on methods of environmental protection, agreement did emerge on the need to develop guidelines which are fair, consistent and enforced equally.

HUMAN DEVELOPMENT

Education and Training

The importance of Yukon's human resources and the effects of under-utilizing human resources was a major theme in the Faro Workshop.

The discussion on education was critical in tone. Many participants argued that education should focus on life skills as opposed to teaching strictly academic skills. An equally strongly voiced opinion was the need to teach entrepreneurial and basic business skills in the schools.

Native education was singled out as a special concern. The education system was criticized for its

failure to teach Indians their culture, social system and traditional skills.

For the long term, the view was expressed that Yukoners should be working toward a Yukon based curriculum, higher education facilities, and the options for nonacademic stream alternatives should be expanded.

In discussing training, it was felt that training opportunities should be available to all people. It was also felt that training should be better targetted to needs in the economy.

Employment Inequity

In discussing employment inequity, the participants concurred that women and Indians were under represented in the wage economy. Debated strongly was the cause of employment inequities. While there was disagreement over the size of the problem and possible solutions, it was generally felt that we cannot afford to ignore the problems arising from employment inequity. The participants concluded that more information on the barriers to employment is needed. There was also concern that meaningful employment opportunities for Yukon's youth and elderly be provided.

COMMUNITY DEVELOPMENT

Social Development

The provision of better health, recreation and

cultural services at the community level was a concern arising from the Workshop. In the area of health, it was stressed that alternative mid-level practitioner services should be explored as opposed to putting a doctor in every community. There was also a strong call for better geriatric care to ensure elderly Yukoners can remain in the Yukon. The discussion on recreation services concluded that in most cases the facilities were adequate, but better recreational programming was needed. Cultural facilities were identified as being important for community development. It was suggested that cultural facilities be built on a regional basis to highlight a region's history and cultural heritage.

Communications

There was concern expressed at the domination of communication systems by southern information. With existing technology, more could be done to improve communications among communities and to inform the rest of Canada about the Yukon.

Community Linkages

Yukon communities are well linked by the highway system. It was however pointed out that it is very expensive for those without private transportation to travel between Yukon communities. In addition, many of the community airports are not considered adequate.

Decentralization

Another area in which government can assist community development is the regionalization of services. The location of government jobs in the communities would contribute much to the local economy.

BUSINESS DEVELOPMENT SUPPORT

Workshop participants felt that government has a role to play in the Yukon economy but its primary role should be a supportive role to the business sector.

Regulations

Government regulations are an area of frustration for the business community. The general perception of regulations is that they overlap, are often at cross purposes, are confusing to understand and are not applied equally. Government roadblocks to obtaining land tenure were singled out as a problem for development in some resource fields.

Infrastructure

The positive effect infrastructure has on development was noted in many of the discussions. Also noted was the negative effect roads can have on wilderness values. Participants noted that infrastructure is important for development but it must be well thought out to ensure it is cost

effective where possible, and does not compromise other development opportunities. It was agreed that existing communities should be supported rather than establishing new communities.

Government Practices

The impact of government employment and procurement action on the private sector was discussed at several workshops. Negative concerns raised included the impacts on the labour pool and wage rate. Positive spinoffs include the fostering of Yukon industry and the setting of employment standards for addressing employment inequities.

Financial Services

A general concern, especially for rural business people, was the difficulty in obtaining financial and insurance sevices. Basic banking services and access to venture capital were difficult to obtain outside of Whitehorse. This was even more problematic for Indian business people. Possible government actions ranged from assisting banks to locate in rural areas, to expanding cheque cashing services in rural areas and providing venture capital through the Yukon Development Corporation.

SPECIFIC GOVERNMENT ISSUES

Devolution

The discussions on devolution concentrated on

two areas:

- devolution of responsibilities from the federal to the territorial government, and from the territorial to the band and municipal levels; and
- regionalization of decision making.

In general, it was felt that devolution from the federal to the territorial government, and from the territorial government to the local level is desirable and needed. The motivating factor behind both devolution and decentralization is the desire to increase local control and thereby provide more effective government.

Research and Development

In every workshop the need for more information was brought out. Participants felt research on the Yukon should be done by Yukoners.

The need for information in decision making as well as the economic significance of more Yukon based research were also pointed out in the workshops. Identified areas requiring more research include training, the non-wage traditional economy, employment inequities, alternative energy sources, the development of rural infrastructure and methods to improve rural financial services.

8. STRATEGY, APPROACH AND WORKPLAN

PURPOSE

The purpose of the Economic Development Strategy planning process is to bring together Yukon people in order to develop a better understanding of the economic realities of today, the prospects for the future and the possibilities for cooperative action. The process will provide guidance for all sectors of the economy. It will guide government departments in their policy development and expenditure of funds. This will lead to a more efficient government which works in concert with the private sector and public interest groups toward common goals. In outlining future economic options for the Yukon, the Strategy will assist the private sector and community groups by providing information on opportunities and an indication of government's position. This will give these groups more confidence in allocating their resources and ensuring that their investment, be it time or money, has the greatest impact.

This section outlines the Economic Development Strategy framework, including the approach, workplan and schedule. The framework was developed through discussions with the Yukon Economic Council and professionals who have extensive experience in policy and planning. It accommodates the concerns and issues brought up at the Faro Workshop and in previous government planning studies. The Strategy framework is organized in a manner which will permit involvement of communities, bands, special interest groups and

individual Yukoners in a focused manner. This focused approach will ensure consistency in the treatment of all components of the Strategy and enable the completion of a draft Economic Strategy by Spring of 1987.

A three part approach forms the basic framework for the Strategy. It includes sectoral reviews, linkage studies and public consultation. A flow chart and timeline of the process is attached.

PREMISES

A number of premises or assumptions underlie the Yukon 2000 Economic Development Strategy. They are summarized as follows:

(i) Scope

YUKON 2000 is to be considered a comprehensive economic development strategy. While the primary focus is on economic issues, related social concerns will also be identified and dealt with as appropriate.

(ii) General Purpose

The general purpose is to create an overall "umbrella" for all aspects of economic planning. The exercise is intended as non-partisan. The focus of YUKON 2000 is on long-term Yukon goals.

(iii) YTG Coordination

All Yukon Territorial Government Policy

and Planning initiatives related to economic development are to be integrated/coordinated with YUKON 2000.

(iv) Ongoing Process

The ultimate end of the exercise is an ongoing open planning process, not just a set of reports. The process and public involvement will continue beyond the draft final report.

(v) Public Participation

Public participation is essential to all aspects of the exercise.

(vi) Link to Land Claims

Economic planning will be conducted taking into consideration the ongoing land claims process.

SECTORAL REVIEWS

Sectoral reviews, which form the basis of most economic planning efforts, examine options for enhancing development in each sector of the economy. Sectoral reviews will be conducted in the following eleven areas:

- Mining
- Tourism
- Forestry

- Hunting and Trapping
- Fishing
- Manufacturing
- Construction and Housing
- Trade and Services
- Agriculture, Food Production and Distribution
- Non-market Sector
- Cultural Industries

Working groups comprised of interest group representatives, knowledgable professionals and interested parties including key community people will be established for each sector. Relevant government departments and the Yukon Economic Council will be consulted on the composition of the working group participants.

An initial workshop for each sector will be held in September. The issues affecting development in the sector will be discussed and a series of options to enhance development in the sector will be recommended. These options will be presented to the relevant government departments for their input. A series of sectoral reports presenting the issues and options for development will be prepared by the Strategy Team in October and discussed with the Yukon Economic Council. The reports will be presented at the fall conference.

LINKAGE STUDIES

The term "linkage studies" has been coined to refer to those areas requiring study which can influence and assist development across a number of sectors.

The following sixteen potential "linkage studies" have been identified:

- Financial Institutions
- Training/Education
- Diversification
- Transportation
- Communications
- Resource Management
- Research and Development
- Small Business
- Participation in the Economy by Youth, Seniors and Handicapped
- Women's Participation in the Economy
- Indian Participation in the Economy
- Energy
- Municipal Infrastructure

- Housing Infrastructure
- Government as an Economic Force
- Leisure and Recreation

Prior to the Fall Conference a discussion paper will be commissioned on each of the above topics. The papers will synthesize past work and provide stimulation and momentum for further work on the topic. These papers will be presented at the Fall Conference.

Following the Fall Conference, the topics (adjusted if required) will be pursued under the direction of either the relevant government department or a steering committee. Decisions on whether or not a steering committee is required will be based on discussions with the relevant government department concerning their plans for public involvement in planning work which they have started. The Yukon Economic Council will be used as a reference point for further work on the linkage studies.

Detailed "Terms of Reference" for each Steering Group will be developed. Work of each Steering Committee will lead to a report to be completed in time for presentation at the Spring Conference.

PUBLIC CONSULTATION

Public consultation will be ongoing throughout the Economic Development Strategy process. Information on the Strategy process and findings, and opportunities to provide input will be made

available to communities, bands and the Council for Yukon Indians, special interest groups, businesses and individual Yukoners. The public consultation will provide Yukoners with the opportunity to direct the economic future of the Yukon and function as a partner in the decision-making.

Public consultation will start in September and October through a series of meetings with community and band councils. Both formal meetings and informal discussions will be held with all interested parties to obtain their input.

In addition to employing standard types of public consultation methods, the Economic Development Strategy will make use of focus group sessions. These sessions will be held to obtain from Yukoners their vision of the Yukon in year 2000, in terms of social, economic and quality of life consideration. Focus groups bring together small groups of people who are guided in a discussion by a skilled moderator. Participants of the group are led to freely express their views and reactions to specific issues or questions.

Through the use of in-depth probing, focus groups can provide types of perceptual and attitudinal information which cannot be obtained through other processes.

Focus group sessions will be held on a regional basis. The participants will represent a cross-section of the population. From the focus group sessions, goals and objectives for development will be derived. The results will also cross check the vision of ordinary Yukoners against the results of other consultations.

A Fall conference will be held November 1 and 2, 1986. This Conference will be organized on the basis of a series of topic specific workshops linked to the sectoral reviews. These workshops will focus on options to enhance development within the sectors. The Fall Conference will also include presentations on the linkage studies and a review of government initiatives related to economic development planning.

A Spring Conference will be held to review the further work completed on the linkage studies, the results of the public consultations and additional work completed on the sectoral reviews. The Spring Conference will provide guidance to the preparation of the Draft Development Strategy.

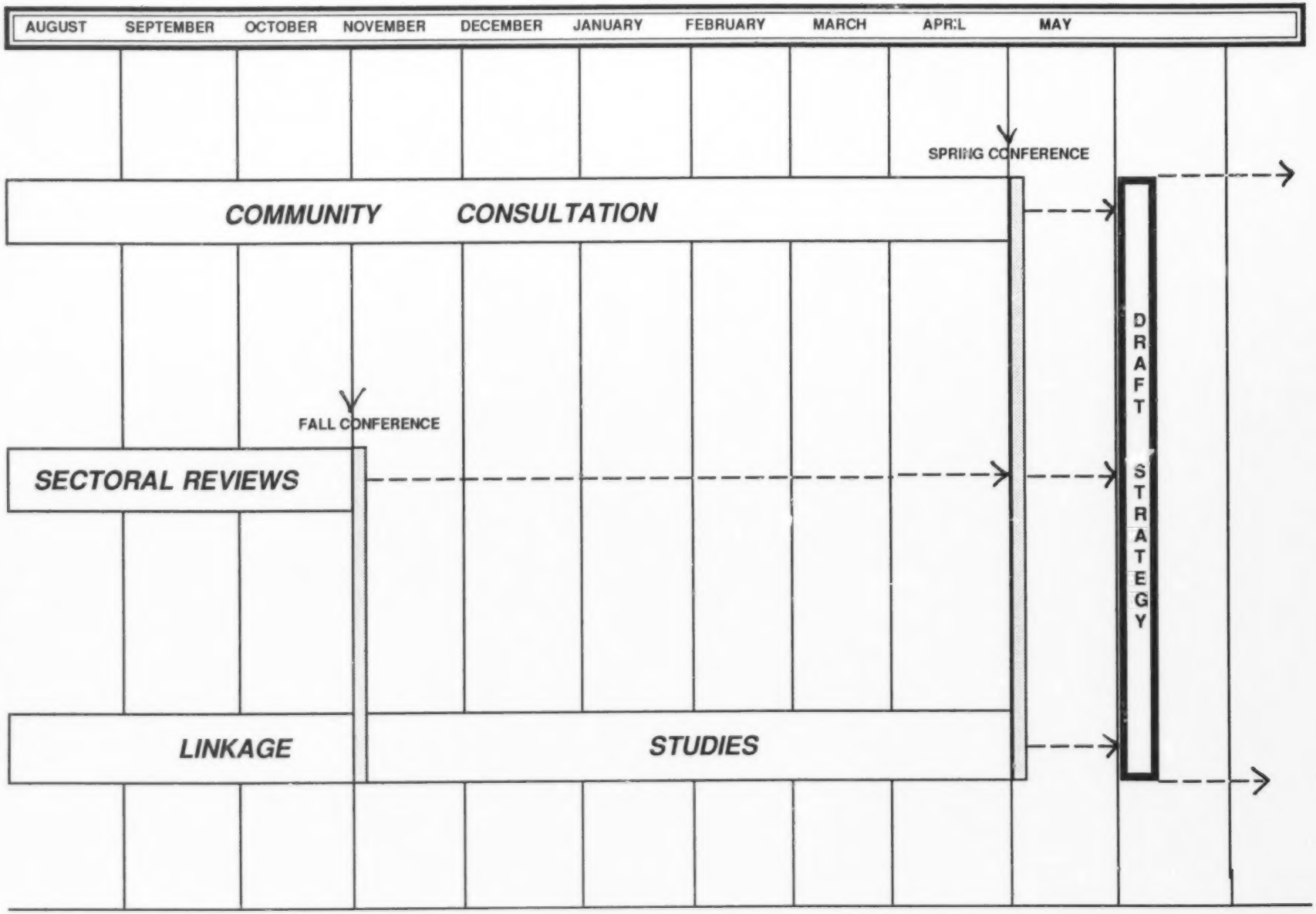


FIGURE 7 **YUKON 2000 - SCHEDULE**